

**Building Relationships and Creating Dreams**



**The 62<sup>nd</sup> Corner Stone Credit Union  
Annual Meeting of the Membership**

**The Southern Cross  
Dowdy Ferry Rd, Dallas**

**April 5, 2014**

**11:00 am to 3:00 pm**

## **Agenda**

- Ascertain Quorum
- Introduction of Board of Directors
- Acceptance of last year's minutes
- Report of Chairman
- Report of CEO
- Introduction of Employees
- 2013 Loan Report
- Election of Directors
- Prize Drawings
- Announcement of New Officials
- Adjournment

## **Board of Directors 2013**

### **Term Expires**

Randy Powledge, Chairman	2015
Lorenza Davis, Vice Chairman	2016
Charles Gurley, Treasurer	2015
Sandra Barton, Secretary	2014
David Parsons	2015
J.T. Thetford	2014
Pamla Wood	2016

### **Advisory Board Members appointed by Board of Directors:**

John Hafley & Elaine Robeson

## **OFFICE STAFF:**

Stacey McDonald, CEO

Sanjay Patel, Controller

Richard Lindsey, PT Loan Manager

Kim Plowman, Sr. Loan Officer

Brianne Sperlik, Card Services & Collections

Christina Amshoff, Sr. Mbr Service Specialist

Donna Curts, Sr. Collection Officer

Connie Lindsey, PT Executive Admin Asst.

Adream Reese, PT Member Service Specialist

Jennifer Barnhill, COO

Patricia Garcia, Operations Manager

April Wilson, Mbr Service Specialist

Araceli Torres, Sr. Member Service Specialist

Cynthia Miller, Member Service Specialist I

Victor Aguilar, Sr. MSR/Loan Officer I

Charlotte Finley, PT Member Service Specialist

Alayna Jones, PT Admin Asst.

## Report from Chairman of the Board:

It gives me great pleasure in welcoming you to the 62nd annual meeting of Corner Stone Credit Union. I am truly humbled by the level of trust you have in me and my fellow board members, and I can assure you, it is not taken for granted.

I would also like to thank my fellow board members for their dedicated service, commitment, and passion. They have contributed greatly to the success of Corner Stone Credit Union.

Your participation in Corner Stone Credit Union means we are in a strong financial position to continue meeting your lending needs, offer a wealth of savings tools and other essential financial products and services to enhance your life, improve our delivery channels, and expand our outreach.

Just as there were challenges in 2013, there will undoubtedly be challenges in 2014. But I am confident that by remaining focused, working together and being united, Corner Stone Credit Union is well poised to address any challenges we might face.

Before I conclude my report, I wanted to briefly report what it means to be a financial cooperative. I am often asked how credit unions differ from banks. Obviously, like a bank, we have to make a profit to keep doors open. But the difference is what we **don't** do with those profits. Unlike a bank, we don't have shareholders. The board of directors at Corner Stone Credit Union are volunteers elected by you, so there are no shareholders to pay.

As a financial cooperative, Corner Stone Credit Union is guided by seven principles:

1. **Voluntary and Open Membership:** Corner Stone Credit Union is a financial cooperative, and cooperatives are voluntary organizations and are open to all people.
2. **Democratic Member Control:** Corner Stone Credit Union is a democratic organization controlled by you—the members and owners. So as I have already noted, the board of directors at Corner Stone Credit Union are volunteers elected by you. So when we set policies or make decisions about the future direction of Corner Stone Credit Union, we do so with you in mind.
3. **Members Economic Participation:** As a member of Corner Stone Credit Union, you contribute equally to, and democratically control, the capital of this institution.
4. **Autonomy and Independence:** As a financial cooperative, Corner Stone Credit Union is an autonomous, self-help organization controlled by you—the member.
5. **Education, Training, and Information:** We want to ensure that our staff—from the front line to the executive office, as well as the board of directors and other volunteers—are knowledgeable and competent to fulfill their commitment to the organization, and more importantly, to you. Therefore we provide education and training so we can all contribute effectively to the development of Corner Stone Credit Union.
6. **Cooperation among Cooperatives:** As a financial cooperative, Corner Stone Credit Union understands that we can most effectively serve you, and strengthen the credit union movement by working together through local, regional, national, and international structures. That is why we are involved in our local chapter, and take advantage of the training tools, and resources available through our trade association, the Cornerstone Credit Union League. We are also very supportive of our Cornerstone's advocacy efforts because we understand the impact legislation, as well as regulations, has on our ability to serve your financial services' needs. That is why we would like you to contact your elected officials in Washington, D.C., and share with them our message, "DON'T TAX MY CREDIT UNION". As federal legislators consider tax reform in 2014, we want you to know that a federal tax on your credit union is a tax on you. Visit [www.donttaxmycreditunion.org](http://www.donttaxmycreditunion.org) to learn more about this critically important fight.
7. **Concern for Community:** While our primary focus is on meeting your needs, as a cooperative, we feel responsibility to give back to our community. This past year, Corner Stone Credit Union sponsored several community and SEG events.

I take great pride in the fact that I participate in a financial cooperative and I hope you do as well.

## Continued Report from Chairman of the Board

In conclusion, it is with great confidence that I say, under Corner Stone Credit Union leadership, the guidance of the board of directors, the commitment of a dedicated staff, and the support and loyalty of our members, Corner Stone Credit Union is well positioned to face any challenge and seize any opportunity that presents itself in 2014.

**Randy Powledge, Chairman**

### Report from CEO:

As a financial cooperative, our success is your success. When you participate in the credit union, whether you are a saver, borrower, or both, you are contributing to our growth. And because of our cooperative structure, we are able to return our profits back to you—the owners and members of Corner Stone Credit Union. How are these profits returned to you? We return these profits to you through competitive rates, new products, and enhanced services.

Corner Stone Credit Union is a locally owned and governed financial institution. We have a strong connection in the communities that we are located in and we are well positioned to support those cities growing demand for a financial institution that cares about your financial needs.

Clearly, our presence in the community is known. Corner Stone Credit Union was awarded the Small Business of the Year award for 2013 in Lancaster, Texas.

Just as we are committed to Corner Stone Credit Union, we are committed to you, and the following are but a few highlights from 2013 that demonstrate this:

- Mobile Bill Pay
- New Facebook Page
- E-1000 Loans (Payday Loan), Smart Option Student Loan Program, Self-Replenishing Loans

It is worth pointing out that we were able to add all these new products and services without compromising our Net Worth. Corner Stone Credit Union is a well-capitalized financial institution, with a strong capital ratio of 9.20% as of December 31, 2013. To put that in perspective, 7% is the industry standard. We had two audits in 2013. Our Supervisory audit conducted by Credit Union Resources and our State Exam conducted by the Texas Credit Union Department with no significant exceptions noted.

But we are far more than an institution that offers financial products and services. Here are but a few differentiators that make Corner Stone Credit Union special:

- We have a real presence in the community. A fellow small credit union North Central PHM FCU merged with us to offer their membership more products and services. We launched our first annual scholarship program to our members.
- We have a staff of experienced professionals who report to work every single day with one objective—helping you meet your financial goals. I'm proud to say that at Corner Stone Credit Union, we have longevity in employee tenure, and we strive to provide a culture that fosters personal and professional development as we recognize that a happy staff leads to better service to our members.
- We have a talented volunteer board of directors who share their expertise and knowledge to guide this organization toward continued success.
- And, we have a unique business model that empowers every single member to have a voice. One member, one vote.

Our success depends on a strong membership base. I want to thank you again for your trust in Corner Stone Credit Union.

Our commitment to you is that Corner Stone Credit Union will continue to: (1) grow responsibly (2) listen and respond to your needs (3) explore innovative products/service solutions to enhance your financial life (4) and develop our staff and board so they can confidently serve you. Stacey McDonald

# COMPARATIVE FINANCIAL STATEMENTS

<u>ASSETS</u>	<u>2012</u>	<u>2013</u>
MEMBERS LOANS	\$ 14,054,495	\$13,793,938
LOAN LOSS ALLOWANCE	\$ (283,738)	\$ (258,975)
CASH ON HAND/INVESTED	\$ 6,430,645	\$ 5,963,513
BUILDING/FIXED ASSETS	\$ 396,329	\$ 377,664
OTHER ASSETS	\$ <u>157,974</u>	\$ <u>164,132</u>
<b>TOTAL ASSETS</b>	<b>\$ 20,755,704</b>	<b>\$20,040,272</b>
<u>LIABILITIES</u>		
ACCOUNTS PAYABLE	\$ 198,288	\$ 244,389
SHARES	\$10,573,039	\$ 9,452,172
SHARE DRAFT	\$ 3,806,701	\$ 4,214,702
SHARE CERTIFICATES	\$ 1,666,241	\$ 1,696,229
IRA'S/IRA CERTIFICATES	\$ 2,721,623	\$ 2,587,324
RESERVES	\$ 1,247,361	\$ 1,248,589
UNDIVIDED EARNINGS	\$ <u>542,451</u>	\$ <u>596,867</u>
<b>TOTAL LIABILITIES</b>	<b>\$20,755,704</b>	<b>\$20,040,272</b>
Membership	5,216	5,219
Loans Made	901	929
Dividends Paid	\$ 59,172	\$ 40,260
<u>INCOME</u>		
GROSS LOAN INTEREST	\$ 1,027,229	\$ 1,029,457
GROSS INVESTMENT	\$ 70,567	\$ 47,141
FEES/OTHER INCOME	\$ <u>458,022</u>	\$ <u>475,177</u>
<b>TOTAL INCOME</b>	<b>\$ 1,555,818</b>	<b>\$ 1,551,775</b>
<u>EXPENSES</u>		
PROVISION FOR LOAN LOSS	\$ 12,696	\$ 92,500
OPERATING EXPENSES	\$ 1,378,963	\$ 1,362,655
DIVIDENDS PAID	\$ 59,172	\$ 40,260
INT ON BORROWED FUNDS	\$ 12	\$ 6
NCUSIF ASSESSMENTS	\$ 17,914	\$ 14,436
Other Non-Operating Income	\$ ( 4,863)	\$ ( 12,499)
<b>NET INCOME GAIN/LOSS</b>	<b>\$ 100,111</b>	<b>\$ 54,416</b>

# 2013 LOAN REPORT

Corner Stone Credit Union's loan committee consists of three individuals whose sole purpose is to appoint the loan officers and enforce the loan policies established by the Board of Directors.

The Loan Committee for 2013 consisted of: The Board of Directors Officers/ the majority of the Board members:

CSCU made **929** loans in the amount of **\$6,608,750.94**

Total loans charged off: **\$134,006.32**  
\$ 16,797.24 due to Bankruptcy  
\$ 23,515.13 TDR's (Troubled Debt Rewrites)  
\$ 25,062.45 credit card

Total recovery: **\$ 14,859.04**  
\$ 5,754.49 credit card

Net Charge offs 2013: **\$119,147.28**  
\$ 19,307.96 credit card

For 2013 there were 3 Chapter 7 Bankruptcy filed and 3 Chapter 13 Bankruptcy .

Total Share Drafts charged off: **\$ 8,204.66**  
Total Share Draft recovery: \$ 3,117.77  
Net Share Draft Charge Offs: **\$ 5,086.89**

# 2014 Election Process

## Nominating Committee:

- ◆ All nominees must be a member in good standing with Corner Stone Credit Union and be 18 years or older.
- ◆ We have two board position up for 3 yr term and one board position up for 2 yr term
- ◆ Call for nominations from the floor for the 3 yr term three times.
- ◆ Entertain Motion to cease nominations for the 3 yr term.

If there are no nominations from the floor, entertain a motion to accept candidates by acclamation. If there are nominations from the floor, an appointed committee will count ballots.

All elected candidates are subject to a credit check with an approval by Credit Union State Department.

Motion to destroy ballots, if applicable.

## MAKING A DIFFERENCE-SPONSORSHIP & SUPPORT 2013

Lancaster Chamber of Commerce	Lancaster Independent School District
Lancaster Outreach Foundation	Lancaster Historical Society
Lancaster Chamber Education Committee	
PIA Association	Texas Credit Union Lending Council
Cornerstone Credit Union Foundation	
Cornerstone Credit Union League & Affiliates	
Hella Shriners	Special Olympics Texas
Mesquite Chamber of Commerce	Texas Better Business Bureau

# *PRIZE DONATIONS BY:*

## SEGS/Businesses:

Enterprise Auto Sales-  
John McDonald

GROCO-George Grogan

Lovin' Oven-Suzanne Maxwell

Miz Raus-Suzi Rawlins Weaver

Merchants Choice Payment  
Solutions-Katrina Bawcom

Traditional Health Care-  
Sharon Brooks

Collins Concrete-  
Fred Treffinger

Pinnacle Financial Strategies-  
Richard Heath

The Portal Comics-  
Dan & Brandy Henderson

Chef Carlos On The Square-  
Carlos

CUNA Member Connect-  
Veronica Miller

John's Bicycle's-John Paulus

DG Playground Ranch-  
Dedrick Garner

RTI-Jim Forist

AdvoCare Independent  
Distributers-

Kris & Jennifer Barnhill

PIA MidAmerica Association-  
Joe Palanco

Resource Insurance Services-  
Don Brooks

Sportacular Players-  
Lorenza Davis

Schneider Electric-Carlos Ruffino

Texas Intrastate-Randy Powledge

Texas Trim-Marsha McRedmond

Laney Security & Fire-  
Steve Laney

Chism Janitorial-Bobby Chism

AFLAC-Yvonne Martinez

Sassy Spinster-Susan Filgo

Lou's Funky Junk-  
Louise Robertson

B & B Motors-Perry Barton

Little Chief Enterprises-  
Ayome May

Hickory House-Mike Showwalter

Register Marks Letter Press  
Services-Robert Requena

Curtsy Cakes-Stephanie Curts